

BEFORE THE STATE BOARD OF EQUALIZATION
OF THE STATE OF CALIFORNIA

In the Matter of the Appeal
of
EL DORADO OIL WORKS

Appearances:

For Appellant: W. E. Williamson, Attorney at Law

For Respondent: Burl D. Lack, Chief Counsel

O P I N I O N

This appeal is made pursuant to Section 25667 of the Revenue and Taxation Code from the action of the Franchise Tax Board on the protest of El Dorado Oil Works (a corporation) to a proposed assessment of additional franchise tax in the amount of \$1,077.82 for the income year 1936.

The sole issue in this appeal is the propriety of the use by the Franchise Tax Commissioner of a three factor formula of property, payroll and sales in reallocating, under Section 10 of the Bank and Corporation Franchise Tax Act, Appellant's income for the income year 1936.

The reallocation by the Franchise Tax Commissioner of Appellant's income for the income years 1934 and 1935 by the use of the formula in question was approved by the Supreme Court of this State in El Dorado Oil Works v. McColgan, 34 Cal. 2d 731. The Appellant does not contend, nor does the record before us indicate, that its operations in 1936 differed in any material respect from its operations during the preceding two years. The applicable provisions of the tax law during the period in which this obligation accrued were the same as they were in the earlier years: In accordance with the reasoning of the Court, therefore, the action of the Commissioner must be sustained.

O R D E R

Pursuant to the views expressed in the opinion of the Board on file in this proceeding, and good cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED, pursuant to Section 25667 of the Revenue and Taxation Code, that the action of the Franchise Tax Board on the protest of El Dorado Oil Works to proposed assessments of additional tax in the amount of \$1,077.82 for the income year 1936 be and the same is hereby sustained.

Done at Sacramento, California, this 21st day of July, 1953, by the State Board of Equalization.

Wm. G. Bonelli, Chairman

J. H. Quinn, Member

Geo. R. Reilly, Member

Paul R. Leake, Member

 , Member

ATTEST: Dixwell L. Pierce, Secretary